



City of Mount Vernon Lodging Tax/Tourism Promotion Funding Application and Guidelines

City of Mount Vernon Tourism Promotion Applications will be available in August. Check the City's website at <http://www.mountvernonwa.gov/> beginning in August for availability of applications and details on application deadlines.

What is the Tourism Promotion Fund?

Funding for this program comes from the Mount Vernon Tourism Promotion Fund which receives hotel/motel taxes from lodging establishments inside the city limits. The City collects a four percent tax on charges for overnight lodging (2% is considered a basic hotel/motel tax and the second 2% is a credit against the sales tax that lodging establishments collect).

What Can be Funded with Lodging Tax Revenue?

Lodging taxes can be used for:

- tourism marketing,
- marketing and operations of special events and festivals,
- operations of tourism-related facilities owned or operated by nonprofit organizations,
- operations and capital expenditures of tourism related facilities owned by the City of Mount Vernon.

State Law Defining the Use of Lodging Tax

The Washington State Legislature enacted changes to the laws governing the use and reporting of lodging tax revenues with the passage of ESHB 1253 in the 2013 legislative session. These changes, in part, established requirements for reporting information on the use of lodging tax which have been incorporated into the Lodging Tax/Tourism Promotion application. Revised Code of Washington (RCW), Chapter 67.28 'Public Stadium, Convention, Arts and Tourism Facilities' provides detailed information about the use, award and reporting of tourism funds.

Important Terms Relating to RCW 67.28

Tourism: economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs

Tourism promotion: activities, operations, and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion

agencies; and funding the marketing of or the operation of special events and festivals designed to attract tourists

Tourism-related facility: real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor, and used to support tourism, performing arts, or to accommodate tourist activities

Who May Apply?

The annual funding program is open to non-profit organizations with the demonstrated ability to achieve tourism goals as outlined below.

- Increase hotel occupancy in Mount Vernon by creating overnight stays.
- Increase overnight stays during the off season.
- Provide visitor attractions and/or promote the area's existing attractions.
- Attract more businesses to Mount Vernon and thereby generate additional business for hotels and motels.

All applications must include estimates of how funding the activity will result in increases to people staying overnight, travelling 50 miles or more, or coming from another state or country.

Selection and Award Process

Funding of the program and specific awards are dependent on recommendations of the City's Lodging Tax Advisory Committee (LTAC). The LTAC will receive all applications and recommend a list of candidates and funding levels that will be forwarded to the Mount Vernon City Council for final determination. **Funds will be awarded on a competitive basis**, and applicants will be notified following City Council decision.

The LTAC and City Council will make awards based on the most competitive applications that meet the criteria for funding.

Application Requirements

All organizations seeking funding under this program must submit a completed application form along with all required documentation in order to be considered for funding. Incomplete applications will not be considered by the Lodging Tax Advisory Committee.

Applications must be received at Mount Vernon City Hall by date to be determined. Please submit only one fully completed and signed original. All applications must be able to be clearly reproduced in black and white.

Mount Vernon City Hall mailing address: Alicia Huschka
Finance Department
P.O. Box 809
910 Cleveland Ave.
Mount Vernon, WA 98273

For more information contact Alicia Huschka at 360-336-6241 or by email at aliciah@mountvernonwa.gov.

Organizations awarded funds will be required to execute a contractual agreement that will set out the performance expectations, level of funding and the mechanism for invoicing for payment.

Reporting

Reporting requirements enacted by the Washington State legislature in 2013 requires the City to report to the State regarding the use of funds for the year. All recipients of lodging tax revenue, regardless of what the revenue is to be used for, must submit a post-event activity report to the City describing the actual number of travelers generated. The City will, as part of the contract with the recipients, require that the report be provided immediately after the event or activity. The City will file an annual report to the State of Washington Joint Legislative Audit and Review Committee (JLARC).

The post-event activity report must include the following:

- Total amount spent on the event.
- The number of participants who attended the event/activity in each of the following categories:
 - Staying overnight in paid accommodations away from their place of residence or business;
 - Staying overnight in unpaid accommodations (e.g. with friends and family) and traveling fifty miles or more one way from their place of residence or business;
 - Staying for the day only and traveling more than fifty miles or more one way from their place of residence or business;
 - Attending but not included in one of the three categories above.
- The estimated number of participants in any of the above categories that attended from out-of-state (includes other countries).
- A description of methods used to determine attendance and distinguish among the visitor categories at the event/activity.

Any recipient awarded funding must complete the reporting requirements.